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13 June 1962

The EIC Subcommittee on Petroleum

Annual Report

Fiscal Year 1962

A. Activities of the Subcommittee During Fiscal Year

1. Review of the Intelligence Product

The Subcommittee considers the intelligence product to be responsive to the missions and responsibilities of member agencies.

2. Research and Collection Deficiencies

a. Research Deficiencies

The priority deficiencies of research which have been identified by the Subcommittee are included in EIC-S-1/4, 15 June 1958. These listings are under continuing review and are considered to reflect current deficiencies.

b. Collection Deficiencies

The Subcommittee reviewed CIA/ONR statements or information needs on the following: East Germany - Petroleum Industry, and Hungary - Petroleum Industry. The general opinion of the Subcommittee was that it had not been demonstrated that these and other statements of information needs were of benefit, either in the field or to the consumer.

3. Review of Substantive Papers

The Subcommittee formally reviewed the following substantive papers:

| <u>Title</u> | <u>Preparing Agency</u> |
|--|--|
| 1 Study of the Petroleum and Natural Gas Industry and the Petroleum and Natural Gas Possibilities of Czechoslovakia, as of January 1, 1960 (C) | 488th Strategic Intelligence Detachment, Dallas, Texas |

Group 1
Excluded from
automatic downgrading
and declassification

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The Petroleum and Natural Gas Industry and the Petroleum and Natural Gas Possibilities of Communist China (Supplementary Study as of January 1, 1961) (C) 488th Strategic Intelligence Detachment, Dallas, Texas

It was the considered opinion of the Subcommittee that these papers were competent in their content, considering the limited information available to the preparing group.

Reports of Petroleum by the Soviet Bloc to Non-Bloc Countries in 1961 (C) CIA

The Subcommittee agreed that this report was responsive to the needs of the intelligence community.

4. Review of Proposals For External Research

No proposals for external research were brought to the attention of the Subcommittee during fiscal Year 1962.

5. Maintenance of Agreed Basic Statistics

The Subcommittee developed agreed basic statistics covering the major elements of the petroleum economy of each country of the Sino-Soviet Bloc for 1961. The Subcommittee plans to continue the annual up-dating of these statistics.

6. Projects Undertaken at the Request of the EIC or Proposed to the EIC

The Subcommittee Project, EIC-PSC-WP 4, Military Consumption of Petroleum Products, Sino-Soviet Bloc, 1960-61, was completed for distribution on 5 April 1962.

7. Intelligence Research Techniques

The Subcommittee has nothing to report.

8. Special Coordination Functions of the Subcommittee

The Subcommittee has nothing to report.

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9. Evaluation of the Role of the Subcommittee

a. The Subcommittee continues to function actively in its role of coordinating and furthering economic intelligence research in the field of petroleum. The Subcommittee also serves as a valuable medium for the exchange of ideas and information of mutual interest to the members of the intelligence community.

b. CIA remains the only member agency which now carries out formal economic research on petroleum in the Sino-Soviet Bloc. The other participants are responsible primarily for the development of current and staff intelligence.

B. Future Program of the Subcommittee

The Petroleum Subcommittee plans to continue a program of activity which includes bi-monthly meetings, reviews of substantive papers where possible, the development of agreed basic statistics, and special projects in accordance with those responsibilities outlined in the EIC Handbook and in the Subcommittee Terms of Reference.